

**SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY
MINUTES - CAUCUS MEETING – OCTOBER 13, 2011**

CALL TO ORDER:

The Caucus Meeting of the South Monmouth Regional Sewerage Authority was called to order at 7:00 p.m. on Thursday, October 13, 2011.

Moment of Silence and Salute:

Led by Chairman Cory

Announcement:

This meeting was called in accordance with the provisions of the Open Public Meetings Act in that an announcement of the same was mailed to the Asbury Park Press, the Coast Star, and to the Clerks of our member municipalities on February 11, 2011. The minutes of this meeting will be available after Board approval at a subsequent meeting.

Roll Call:

Present:

Commissioners Blasi, Cory, Farrell, Lynch, Mattia, and Nicol.

Messrs. Bonello, Bujak, and Ruppel and Ms. Morgan Esq., Dilworth Paxson, LLP

Excused:

Commissioners Burne and Schmeling

EXECUTIVE DIRECTOR'S REPORT:

Mr. Ruppel's Executive Director Report included a review of the following Authority business related items:

Refinance of the 2011 Series Sewer Revenue Bonds:

In August 2011, the Board of Commissioners approved Resolution #58-11 authorizing the SMRSA to engage the Authority's professionals, bond counsel, auditor, and staff to examine the possibility of refunding the 2003 Series Sewer Revenue Bonds. In September 2011, a supplemental resolution authorizing the issuance of these bonds was approved by the Board of Commissioners. On October 5, 2011, the Sewer Revenue Refunding Bonds, Series 2011 were authorized, sold, and awarded to Raymond James & Associates, Inc. at a purchase price of \$9,800,526.15. This purchase price reflects a 3.6% net present value savings with the total saving of \$334,000.00. A resolution Confirming the Sale of the South Monmouth Regional Sewerage Authority Sewer Revenue Refunding Bonds, Series 2011 has been placed on the Regular Meeting Agenda for Board approval. On October 19, 2011, the Chairman, Secretary and Executive Director executed the Bond Purchase Agreement on behalf of the Authority.

2011 Amended Income & Appropriation/Proposed 2012 Revenue, Capital & Appropriation Budgets:

During the month, the Finance Committee reviewed and approved the 2011 Amended Income and Appropriation Budgets as well as the Proposed 2012 Revenue, Capital and Appropriation Budgets. During the Caucus Meeting, Mr. Ruppel gave a presentation to the Board of Commissioners on behalf of the Finance Committee regarding the Authority's 2011 amended and the 2012 proposed budgets, as well as the general fiscal well being of the Authority. He reiterated that the Finance Committee and Authority staff continues to work towards the goal of balancing the cost of providing service with sewer use fees. Two separate resolutions have been placed on the Regular Meeting Agenda for Board approval, Resolution #70-11 amending the 2011 Income and Appropriation Budgets, and the Proposed 2012 Revenue, Capital and Appropriations Budgets, Resolution #71-11.

Control Building Fascia Replacement Project:

As a result of time and weather, portions of the SMRSA Control Building are in need of repair to the upper perimeter fascia of the building. In September, Birdsall Engineering, the project engineering firm prepared and completed the bid specifications for this project. On October 5, 2011, eleven bids were received and examined by the Authority's Executive Director, Attorney, and Birdsall Engineering and it was determined that the lowest responsive bid received was from Shorelands Construction, 7 Columbus Drive, Monmouth Beach, New Jersey 07750 at a contract price of \$55,658.00. A resolution awarding the contract to Shorelands Construction for the replacement of the fascia on the Control Building has been placed on the Regular Meeting Agenda for Board approval.

Pump Stations Update:

Mr. Ruppel updated the Board of Commissioners on the status of the following pump stations:

- The Pennsylvania Avenue Pump Station - repaired pumps and motors have been received and installed; the station is fully operational.
- The Glimmer Glass Pump Station - a commercial grade generator has been procured and ordered; delivery is expected shortly.
- A temporary bypass remains in place at the Lake Como Pump Station. During the month, Mr. Ruppel met with Lake Como's Clerk, Louise Mekosh, Commissioner Lynch, and other representatives from the Borough for an informal meeting to discuss several permanent bypass alternatives. One alternative discussed was to install a new gravity line that would divert the flow from the pump station up Parkway to higher ground. However, before this alternative can be completed, Mr. Ruppel asked the Board to consider the possibility of moving the existing pump station to a higher area outside the flood plain rather than continuing to repair damages sustained each time wet-weather events occur. Additional discussion followed regarding the construction and costs involved in re-locating the pump station while also considering the current work being completed to install a permanent bypass at the station.

Status of Insurance Coverage for Storm Damages Sustained by Hurricane Irene:

Authority staff continues to work with insurance agent, Chuck Casagrande and members of the JIF to determine what damages sustained by SMRSA during Hurricane Irene's storm event are insurable. Since most of the collection systems are located in a flood plain it is unlikely the damage sustained will be covered under SMRSA's insurance. In addition, staff continues to work with FEMA to gather the data necessary to submit damages sustained by the Authority for their consideration and possible reimbursement from the Federal Government.

Ratification of Emergency Actions:

During the month of August 2011, Gov. Chris Christie issued Executive Order Number 73 declaring a statewide State of Emergency in anticipation of Hurricane Irene. On August 26, 2011, the SMRSA held an Emergency Meeting of the Board of Commissioners in which Resolution #59-11 was approved declaring a local state of emergency to exist in anticipation of Hurricane Irene. On August 29, 2011, the SMRSA held a Special Meeting of the Board of Commissioners in which Resolution #60-11 was approved authorizing the payment of certain unanticipated and unforeseen emergency expenses as a direct result of Hurricane Irene. On September 7, 2011, the Board of Commissioners approved Resolution #63-11 ratifying all actions taken by the Executive Director that would have under ordinary circumstances required Board approval but were approved during said emergency at his direction. In addition to Resolution #63-11 approved by the Board last month, the Executive Director at the direction of the Chairman has authorized the purchase of an emergency generator along with other ancillary equipment from Cummins Power Systems, LLC at a total procurement cost of \$55,300.00 without formally advertising for public bidding. A resolution ratifying the purchase of the generator and ancillary equipment has been placed on the Regular Meeting Agenda for Board approval.

Annual Procurement and Services Contracts:

Through the normal course of system operations for the Authority, there is a need to publicly bid the procurement of sodium hypochlorite, magnesium hydroxide and to ensure the proper removal and disposal of sewer sludge, fats, oil, and grease collected by the Authority. Authority staff has prepared bid solicitations for each of these annual procurements and a resolution ratifying these solicitations has been placed on the Regular Meeting Agenda for Board approval.

In addition to the above mentioned annual procurement contracts, the Authority also has need to solicit fair and open bids for equipment repair and maintenance, and electrical diagnostic and repair services to enable and ensure that the wastewater treatment plant, sanitary sewer collection system, and pumping stations will operate properly at all times and without interruption. Authority staff has prepared bid solicitations for both electrical and maintenance repair services and a resolution has been placed on the Regular Meeting Agenda ratifying these solicitations for Board approval.

EPA Green Energy Roundtable Discussion:

Recently, the Federal Government has asked the Environmental Protection Agency to evaluate what the water and wastewater communities are doing throughout the country to help these industries move towards a greener environment while reducing overall costs of energy for the nation. Mr. Ruppel reported to the Board of Commissioners that during the month he was

approached by the Environmental Protection Agency (EPA), Region 2 based in Manhattan, New York with inquiries regarding the SMRSA's co-generation and energy projects. He reported that EPA Roundtables are being developed within the Central Jersey area for the purpose of using participants from these industries as benchmarks and sounding boards. Mr. Ruppel offered to have one of the initial EPA Roundtables at the Authority in mid December and encouraged the Board members to participate.

Gore & Associates – Capacity Review:

In July 2011, Mr. Ruppel reported to the Board that he has been working for the past four years with Gore & Associates, Inc. whose facility in Wall Township manufactures heart stents. At this facility, Gore & Associates own and operate a treatment system that competes with the SMRSA's treatment system. He has been successful in negotiating connections for two of their newest buildings to connect to our treatment system rather than their own. He is currently finalizing the connection of the third and final building at this facility. Once connected, SMRSA will receive all discharge from this facility thereby eliminating the need for their treatment facility to operate.

This month, W.L. Gore and Associates has made application to the New Jersey Department of Environmental Protection (NJDEP) for a Treatment Works Approval permit to construct and/or modify an existing sanitary sewer works located within Wall Township, New Jersey. The project consists of the elimination of an existing NJPDES permitted discharge to surface waters within the jurisdictional boundaries of the SMRSA, with the redirection of this discharge through the Township of Wall local conveyance system for ultimate treatment at the Authority's treatment plant. This would result in a connection fee for SMRSA in late December 2011 or early January 2012 of approximately \$65,000.00. A resolution authorizing the Executive Director to sign said application on behalf of the Authority has been placed on the Regular Meeting Agenda for Board approval.

New Jersey Utility Authorities Joint Insurance Fund Renewal:

The New Jersey Utility Authorities Joint Insurance Fund (NJUIJIF) is a duly chartered Municipal Insurance Fund. The Authority is currently a member of the NJUIJIF and this membership will expire on December 31, 2011. Mr. Ruppel recommended to the Board of Commissioners the renewal of membership in the NJUIJIF for a three (3) year period, beginning January 1, 2012 and ending December 31, 2014. He reiterated to the Board of Commissioners the continued savings the Authority has experienced since joining the NJUIJIF in 2002. A resolution authorizing the Executive Director to execute the agreement to renew membership on behalf of the Authority has been placed on the Regular Meeting Agenda for Board approval.

BUSINESS:

- Resolution Amending the SMRSA's 2011 Revenue and Appropriation Budgets.
- Resolution to Approve the SMRSA's 2012 Proposed Revenue, Capital and Appropriation Budgets.
- Resolution Confirming the Sale and Details of \$9,225,000 of Sewer Revenue Bonds.
- Resolution Awarding the Contract for the Replacement of the Control Building Siding to Shorelands Construction.
- Resolution Renewing Membership in the New Jersey Utility Authorities Joint Insurance Fund.

- Resolution for a Treatment Works Approval for W. L. Gore and Associates.
- Resolution Authorizing the Solicitation of Bids to Furnish & Deliver Sodium Hypochlorite, Magnesium Hydroxide and for the Removal of Sewer Sludge and F.O.G. Residuals.
- Resolution Authorizing the Solicitation of Bids to Contract Equipment Repair, Maintenance & Installations Services; and Electrical Diagnostic, Troubleshooting and Repair Services.
- Ratify the purchase of an Emergency Generator and other ancillary equipment from Cummins Power Systems, LLC.

PUBLIC PORTION:

Chairman Cory asked for a motion to open the public portion of the meeting so the public could be heard. It was moved by Commissioner Lynch and seconded by Commissioner Mattia to open the public portion of the meeting. All Commissioners voted Aye.

Chairman Cory asked the public present to come forward and state their name for the record.

Mayor Mark Clemmensen of the Borough of Sea Girt.

Mayor Clemmensen addressed the Board and thanked Commissioner Farrell for inviting him to the meeting. He further stated that he was at the board meeting to personally thank the Authority and its employees for the excellent job they did for his town throughout Hurricane Irene and the wet weather and flooding that followed. Mayor Clemmensen also addressed several questions to the Board regarding the definition of a ratepayer and the proposed 2012 rates for his town. Executive Director Ruppel identified ratepayers as each of the eight municipalities within the SMRSA service area. He also reviewed with the Mayor the methodology used in determining the 2012 rates for each municipality.

A motion was made by Commissioner Mattia and seconded by Commissioner Lynch to close the public portion of the meeting. On voice vote, all Commissioners voted aye.

ADJORNMENT:

Commissioner Mattia made the motion to adjourn the Caucus Meeting. Commissioner Lynch seconded the motion. On voice vote, all Commissioners voted aye.